

families and their right to jobs that provide fair compensation.

As we celebrate Labor Day, we should also give thanks to those who came before us and who strived to improve working conditions and create fair labor laws. Many risked their livelihoods and often their very lives to ensure that children, who once worked in mines and factories, could go to school; that laborers could work without risking injury; and that Americans who toiled throughout the week would be rewarded with a decent living and time to raise their families. These reformers brought dignity to the workplace and integrity to our society.

Workers are the heart and soul of our nation. Yet, we will only see wages grow and the number of jobs steadily increase for those workers if we emphasize education and training, partnership between labor and management, and responsibility by all for improving the quality of the goods and services we produce. In the twilight of this century, it is our responsibility to prepare our workers for the challenges of the next. As we pause today to celebrate the many contributions of the American worker, let us rededicate ourselves to this important effort.

Best wishes to all for a memorable Labor Day.

BILL CLINTON

Letter to Congressional Leaders Transmitting an Alternative Plan for Federal Civilian Employee Pay Adjustments

August 29, 1997

Dear Mr. Speaker: (Dear Mr. President:)

I am transmitting an alternative plan for Federal civilian employee pay adjustments, to take effect in January 1998.

Under title 5, United States Code, Federal civilian employees would receive a two-part pay raise in January 1998: (1) a 2.8 percent base salary raise linked to the part of the Employment Cost Index (ECI) that deals with changes in the wages and salaries of private industry workers; and (2) a locality pay raise, based on the Bureau of Labor Statistics' salary surveys of nonfederal employers in local pay areas, costing about 7.2 percent of payroll. Thus, on a cost-of-payroll basis, the total Federal employee pay increase would be about 10 percent in 1998.

But, for each part of the two-part pay increase, title 5 gives me the authority to implement an alternative pay adjustment plan if I view the adjustment that would otherwise take effect as inappropriate due to "national emergency or serious economic conditions affecting the general welfare." Over the past 20 years, Presidents have used this or similar authority for most annual Federal pay raises.

In evaluating "an economic condition affecting the general welfare," the law directs me to consider such economic measures as the Index of Leading Economic Indicators, the Gross National Product, the unemployment rate, the

budget deficit, the Consumer Price Index, the Producer Price Index, the Employment Cost Index, and the Implicit Price Deflator for Personal Consumption Expenditures.

In assessing Federal civilian pay increases for 1998, I reviewed the indicators cited above as well as other pertinent economic and budgetary factors—including the compatibility of pay increases with the limits on Federal discretionary spending under the Bipartisan Balanced Budget Agreement.

The Budget Agreement continues the spending discipline that my Administration initiated in 1993 and that has contributed to sustained economic growth, low inflation and unemployment, and a sharp cut in the budget deficit. Full statutory civilian pay increases of 10 percent in 1998 are inconsistent with the task of reaching balance by 2002. They would cost about \$7.9 billion in 1998 alone—\$5.7 billion more than the 2.8 percent increase I proposed in my fiscal 1998 Budget—and would build in later years. Such cost increases either would threaten our achieving balance by 2002, or force deep cuts in discretionary spending or Federal employment to stay within spending targets. Neither outcome is acceptable for maintaining the economic prosperity of the American people.

Therefore, I have determined that my proposal for a total civilian raise of 2.8 percent

remains appropriate. This raise matches the 2.8 percent basic pay increase that I proposed for military members in my fiscal 1998 Budget, and that the Congress will likely include in the 1998 defense authorization bill.

Because many Federal civilian employees do not receive locality pay, I will put the bulk of the 2.8 percent adjustment into the general increase under section 5303, thus giving all employees a meaningful raise. I will apply the remainder to increasing the locality-based comparability payments under section 5304.

Accordingly, I have determined that:

- (1) Under the authority of section 5303(b) of title 5, United States Code, the pay rates for each statutory pay system shall be increased by 2.3 percent, effective on the first day of the first applicable pay period beginning on or after January 1, 1998.
- (2) Under the authority of section 5304a of title 5, United States Code, locality-based comparability payments in the amounts set forth on the attached table shall be effective on the first day of the first applicable pay period beginning on or after January 1, 1998. When compared with the payments now in effect, these comparability

payments will increase the General Schedule payroll by about 0.5 percent.

Finally, the law requires that I include in this report an assessment of the impact of my decisions on the Government's ability to recruit and retain well-qualified employees. While I regret that our fiscal situation does not permit granting Federal employees a larger pay increase, I do not believe that it will materially affect our ability to continue to attract and retain a quality Federal work force.

Due to our continuing efforts to reinvent Government, creating a Government that works better and costs less, the number of Federal employees continues to fall; consequently, hiring and attrition are low. In addition, should the need arise, the Government has many tools, such as recruitment bonuses, retention allowances, and special salary rates, to maintain the high quality work force that serves our Nation so very well.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

The President's Radio Address

August 30, 1997

Good morning. This week a record number of American children will be heading back to school, reminding us of our greatest obligation, to prepare our children for the 21st century. We can't do that without a commitment to educational excellence for all those children, expecting them to meet high standards and testing to see if they do.

In my State of the Union Address, I challenged every State to adopt high national standards of academic excellence, defining what every child should learn, and by 1999, to join in a national test for all fourth graders in reading and all eighth graders in math, to ensure they have mastered these basics.

We know that challenging our students to achieve excellence works. This week the College Board announced that SAT math scores continue to rise; and today the National Assessment

for Education Progress, the organization that issues what we call the Nation's report card, announced that in recent years we have improved math and science performance at every age level. Most exciting, more high schoolers are taking challenging courses and college-level courses.

Still, we all know we have more to do to improve our schools and to raise learning levels for all of our students. I've been working to improve education for nearly 20 years now, and I am convinced we can give our children the education they need to thrive in the 21st century only by setting high standards and by challenging students, teachers, parents, and principals to meet them. National standards will help us to upgrade curricula, improve teaching, and target students and schools who need assistance.